

EXHIBIT 14
[UNREDACTED in the PUBLIC RECORD]

**SEAGATE TECHNOLOGY HOLDING, INC. -
Seagate Technology LLC adv. Tim
Pozar/Scott Nalick**

Khurshudov, Andrei - 09-08-2017

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Prepared by:

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Friday, January 5, 2018

1

1 UNITED STATES DISTRICT COURT

2 NORTHERN DISTRICT OF CALIFORNIA

3 No. 5:16-cv-00523-RMW

4 _____
5 IN RE SEAGATE TECHNOLOGY, LLC

6 LITIGATION
7 _____

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 FOR THE CITY AND COUNTY OF SAN FRANCISCO

10 Case No. CGC-15-547787
11 _____

12 TIM POZAR and SCOTT NALICK,
13 Individually and on Behalf of All Others
14 Similarly situated,

15 Plaintiffs,
16 _____

17 vs.
18 _____

19 SEAGATE TECHNOLOGY LLC and DOES
1-50,

20 Defendants.
21 _____

22 VIDEOTAPED DEPOSITION OF ANDREI KHURSHUDOV
23 September 8, 2017
24 _____

25

1 A I was responsible for developing -- for
2 running projects related to big data analytics,
3 machine learning, and different types of exploratory
4 studies.

5 Q What is machine learning?

6 A Machine learning term refers to the field
7 of statistics, mathematics or computer science that
8 relates to algorithms or software that improve
9 performance with experience or with time or data.

10 Essentially, they learn over time.

11 Q Okay. And you also said you did
12 exploratory studies.

13 A Uh-huh.

14 Q What does that mean?

15 A Ad hoc studies, whatever I was finding to
16 be important for the company at the time.

17 Q So you had the freedom to choose the
18 own -- your -- the areas that you wanted to study?

19 A That's correct.

20 Q Did you work at any other position at
21 Seagate in the past other than as chief technologist?

22 A Yes.

23 Q And what was that?

24 A I started as a director of advanced
25 reliability in 2006. Then I moved to -- my subjects

1 changed, but the next milestone I will say was a
2 general manager of Seagate Recovery Services. Then I
3 worked as a senior director in different other
4 functions, including managing cloud research in the
5 analytics organization.

6 Q All right. Well, let's take it
7 chronologically from your earliest position. Take a
8 look at your LinkedIn profile on Page 2, please.
9 What was your first position at Seagate?

10 A Yes, it says senior director, worldwide
11 advanced quality and reliability.

12 Q What did you do in that position?

13 A So advanced reliability was a function
14 inside quality and reliability organization of
15 Seagate. While everyone else was focusing on
16 specific products, developing qualification testing,
17 and so on, my team and I were doing, again, advanced
18 researching type projects, exploratory in nature.

19 Q Did you deal with annualized failure rate
20 in that position?

21 A Yes.

22 Q Okay. Relatedly, what about mean time
23 between failure?

24 A Yes.

25 Q Defective parts per million?

1 A Yes.

2 Q What other reliability metrics did you
3 deal with in that position?

4 A What you described, general concepts in
5 reliability. Anyone in this position or any
6 position, any function related to reliability will
7 use these terms or calculations at some point.

8 There is another one maybe, annualized
9 return rate, which is what actually happens.

10 Annualized failure rate, which you mentioned, is just
11 a -- a fraction of annualized return rate.

12 MR. SHARMA: I think -- did you say
13 fraction or function?

14 THE DEPONENT: Fraction.

15 MR. SHARMA: Fraction.

16 THE DEPONENT: Fraction. It's a smaller.

17 Q (BY MR. STROUT) Okay. And we'll --

18 A I'm sorry.

19 Q We'll return to AFR in a little bit, but
20 for now I want to ask you about ARR. What is that
21 exactly?

22 A Annualized return rate is a fraction of
23 shipped product that comes back for whatever reason,
24 for any reason, during one year of operations.

25 THE REPORTER: During one year of --

1 failure rate increases at the end of its life.

2 Q (BY MR. STROUT) Let's turn back to your
3 LinkedIn profile. What was your position after
4 senior director of quality data analytics?

5 A Yes. General manager, Seagate Recovery
6 Services.

7 Q And you were there from June 2010 to
8 August 2011, correct?

9 A Uh-huh.

10 Q What were your responsibilities in that
11 position?

12 A Seagate acquired a recovery service
13 business from outside, and I was asked to manage it
14 and integrate it into Seagate company business wise,
15 technology wise, people wise.

16 Q What was your position after that?

17 A Yes, senior director, cloud research and
18 analytics.

19 Q And you were there from August 2011 until
20 May 2015; is that right?

21 A Correct.

22 Q What did you do in that position?

23 A Well, as the title says, Seagate became
24 interested in cloud technology and cloud products,
25 and new organizations were formed focusing on this

1 field. And I was building and managing an
2 organization that was responsible for doing research
3 work, in a way ad hoc research activities, and doing
4 analytics and developing analytics solutions for
5 Seagate.

6 Q In this position, did you deal at all with
7 annualized failure rate?

8 A Yes.

9 Q So then you also dealt with mean time
10 between failure?

11 A Correct.

12 Q And defective parts per million?

13 A Correct.

14 Q Did you deal at all with factory yield in
15 this position?

16 A Unlikely.

17 Q And then after that your position was, as
18 we discussed, chief technologist, big data analytics
19 and insights; is that correct?

20 A Correct.

21 Q Okay. You can put the LinkedIn profile to
22 the side.

23 Before you started working at Seagate --
24 and actually, you can refer back to the LinkedIn
25 profile if necessary -- but where did you work prior

1 A It's a very general question. Everyone at
2 Seagate worked on everything related to everything
3 Seagate makes. Specifically, I did not work on
4 products.

5 Q (BY MR. STROUT) What do you mean by you
6 didn't work on products?

7 A There's a product reliability
8 organization, and I was always in advanced/research
9 function. So we could have performed analysis of
10 this or that, or look into some issues, but actual
11 product quality and reliability was not my
12 responsibility or my organization's responsibility.

13 Q Did you perform any research at all that
14 may have been on or related to the ST3000 drive?

15 A I'm sure I did.

16 Q Did you perform any research on any of the
17 external drives that used the ST3000 in them?

18 A I -- to my recollection, I cannot answer
19 this question as yes or no. I do not know, do not
20 remember.

21 Q All right. That's okay.

22 I'd like to now go back to talk a little
23 bit more about annualized failure rate.

24 A Uh-huh.

25 Q I know you spoke of it earlier, but could

1 you please define AFR for me?

2 A If you look at all the drives of a
3 particular model, say, produced during one year, and
4 then you trace their future, the fraction of drives
5 that will come back will represent the annualized
6 return rate.

7 Of the returns that come back, there will
8 be a fraction measurable, sometimes greater,
9 sometimes smaller, fraction of drives that we will --
10 Seagate will call no trouble found, for example, no
11 trouble found, which means when drives are tested
12 internally, nothing wrong could be found with them,
13 and it remains a question why they were returned.

14 There will be another fraction that will
15 be tested and linked to issues outside of expected
16 range of stress. As I mentioned before, drives that
17 are clearly mishandled, for example, or drives that
18 are electrocuted by poor electric connection,
19 something that could be easily discovered.

20 In the world of the retail, what's called
21 Disty, distribution drives, there will be some other
22 group of drives. Sometimes they are returned without
23 even being removed from the packaging, essentially.
24 Internally this will be called buyer's remorse cases,
25 something like that. Essentially somebody buys and

1 then change his mind and returns a drive even without
2 trying.

3 So depending on the application or market,
4 the fraction of not true failures varies, and it
5 could be as great as 80 percent in some cases. For
6 every 100 returned drives, only 20 will be confirmed
7 as having real problem. This is not a typical
8 number, but it could be as bad as this.

9 Q So does AFR -- that does not include no
10 trouble found drives, right?

11 A Uh-huh.

12 Q Or drives that were returned due to
13 buyer's remorse?

14 A Uh-huh.

15 Q Or drives that were mishandled?

16 A Uh-huh.

17 THE REPORTER: Can I just get you to say
18 yes or no?

19 THE DEPONENT: Oh, yes. Yes.

20 Q (BY MR. STROUT) Okay. So -- yeah, I
21 should -- I'll just run through those one more time
22 just because you said uh-huh instead of yes.

23 So AFR does not include drives --

24 A Sorry.

25 MR. SHARMA: Take your time.

1 THE VIDEOGRAPHER: Need some help?

2 THE DEPONENT: I didn't do --

3 (Discussion off the record.)

4 THE DEPONENT: Okay.

5 Q (BY MR. STROUT) All right. So AFR does
6 not include drives where there is no trouble found?

7 A Correct.

8 Q And it does not include drives that were
9 returned due to what you characterized as buyer's
10 remorse?

11 A Correct.

12 Q And AFR also does not include drives that
13 were misused?

14 A I believe so.

15 Q Does Seagate calculate AFR, you know,
16 prior to releasing a drive?

17 MR. SHARMA: Objection, lack of
18 foundation.

19 Q (BY MR. STROUT) You can answer.

20 THE DEPONENT: How is that --

21 MR. SHARMA: If you know the answer --
22 yeah, if you know the answer to the question --

23 Q (BY MR. STROUT) You can answer.

24 MR. GOLDICH: We normally just ignore
25 them.

1 Is it 5?

2 THE REPORTER: 6.

3 MR. STROUT: 6, all right.

4 I'm now marking as Exhibit 6 the document

5 Bates labeled FED_SEAG 0019045.

6 (Exhibit 6 marked.)

7 Q (BY MR. STROUT) All right. Have you seen
8 this document before?

9 A I have not seen this document before. It
10 looks like a product manual, again typical product
11 manual for a Seagate product.

12 Q All right. I represent to you that this
13 document was produced by Seagate during discovery in
14 this case. Right there on the first page it says
15 Product Manual, Barracuda; is that right?

16 A Yes, correct.

17 MS. MCLEAN: I'd also like to note, as I
18 did yesterday, that this document appears to be a
19 draft. It's not clear that it -- it was released to
20 the public because it has redlines in it.

21 Q (BY MR. STROUT) Underneath where it says
22 Barracuda it says ST3000DM001; is that right?

23 A Yes, that's correct.

24 Q And this document is dated April 2011,
25 right?

1 A Correct.

2 Q And the data sheet that we were just
3 talking about, the copyright date was 2011, right?

4 MR. SHARMA: Take a look at it if you need
5 to.

6 A That's correct.

7 Q (BY MR. STROUT) Please turn to Page
8 19056.

9 A Uh-huh. Yes.

10 Q Do you see on this table where it says
11 annualized failure rate?

12 A Yes, I can see.

13 Q Okay. And there's a column on here for
14 the ST3000 drive; is that right?

15 A Yes, that's correct.

16 Q And the annualized failure rate for the
17 ST3000 is listed as .34 percent; is that right?

18 A I can see.

19 Q Do you know why it says .34 percent here,
20 whereas in the data sheet we just looked at it said
21 less than 1 percent?

22 MR. SHARMA: Objection, lacks foundation,
23 calls for speculation.

24 A I don't know.

25 Q (BY MR. STROUT) Okay.

1 Q A function, okay. So what's -- what's
2 happening with that function?

3 A Trends. I don't know. It's increasing
4 over time.

5 Q Okay. And that means -- by increasing
6 over time, do you mean that the failure rate is
7 increasing over time?

8 A Uh-huh.

9 Q Okay.

10 A Yes.

11 Q Under what circumstances might a Weibull
12 beta of greater than 1 be seen?

13 MS. MCLEAN: Objection, lacks foundation.

14 A Yeah, there are lots of reasons.

15 Essentially, if you put a product under stress it's
16 not designed for, you might see something like that.

17 Q (BY MR. STROUT) So if you put a product
18 under stress it wasn't designed for, you might see an
19 increasing failure rate as time goes on?

20 A Yes.

21 Q Does using -- well, let me put it this
22 way. What's the relationship between Weibull and
23 AFR, such that if you use a different Weibull beta,
24 does it affect the AFR?

25 A No, there's no relationship. Well, I

1 mean, I -- I don't -- a mathematician in this field
2 might argue with me, but all Weibull does -- so
3 Weibull data is just defining the shape of the curve.
4 It does not define the endpoint, and endpoint depends
5 on other things. In other words, you can have
6 whatever shape you want -- you want -- you want
7 corresponding to whatever failure rate possible.
8 There's -- I don't believe there's a strong
9 relationship or any relationship.

10 Q All right. Well --

11 A Like, I'll give you an example.

12 Q Go ahead.

13 A Look at this chart or any chart --

14 Q For the -- for the record, the witness is
15 referring to 1875.

16 A Right. So the vertical axis here
17 represents an annualized return rate. And you can
18 see the shape of it, but you might not see the actual
19 values of this rate, and this is the lack of
20 relationship. It could be anything there.

21 In other words, this vertical axis could
22 correspond to 1 percent max range or 10 percent or
23 20. The shape is just leading to some number.
24 There's no direct correlation between the shape and
25 the outcome.

1 A Your first assumption that eta is the same
2 is nearly impossible. It's -- you can do a
3 mathematical experiment --

4 MR. SHARMA: There's no need to speculate.

5 A Yeah, but it doesn't happen in real time,
6 in real life.

7 Q (BY MR. STROUT) So does the beta that is
8 chosen have absolutely no effect on the AFR
9 calculation?

10 MS. MCLEAN: Objection, lacks foundation,
11 calls for speculation.

12 A I'm trying to do some math in my head. So
13 I'll just repeat what I said before. Knowing beta is
14 not enough. You cannot link beta to AFR. You need
15 to have some other numbers to do that.

16 So I -- I already used one example. I'm
17 trying to remember this. I'll use another example.
18 It's --

19 MS. MCLEAN: What page are we looking at?

20 A 1855, Page 1855.

21 So again, if I look at this chart, it
22 might look like the beta is greater than 1 in some of
23 these cases, but if I look at the actual annualized
24 return rate at 12 months, it's -- 12 months, it's on
25 the order of -- does it say .4 percent?

1 Q (BY MR. STROUT) Yes.

2 A It's -- it's a tiny number. In other
3 words, any customer will be happy to have this
4 product. And this is a return rate. It's not giving
5 a failure rate. Failure rate is --

6 MR. SHARMA: So the witness is pointing to
7 Bates Stamp FED_SEAG 1855, is pointing to the chart
8 on the right; is that right?

9 THE DEPONENT: Yes, the chart --

10 MR. SHARMA: Chart on the left.

11 THE DEPONENT: Oh, okay, the left.

12 MR. SHARMA: And the witness is pointing
13 to which --

14 THE DEPONENT: Let's say on the axis --
15 horizontal axis --

16 MR. SHARMA: Okay.

17 THE DEPONENT: -- marked 12, so 12
18 corresponds to 12 months or one year.

19 MR. SHARMA: Okay.

20 THE DEPONENT: So --

21 MR. SHARMA: And then which graph, red or
22 -- red or green?

23 THE DEPONENT: Doesn't matter. They are
24 not that different.

25 MR. SHARMA: At that point it's

1 approximately --

2 THE DEPONENT: .4, .5, something like
3 this, percent ARR. So if you remove all the NTFs and
4 I mentioned mishandlings, some other things, this
5 number will be reduced even further. These are the
6 great numbers independently on what the shape is.
7 That's what I'm just trying to make my point.
8 There's no direct relationship.

9 Q (BY MR. STROUT) And just for the record,
10 this page says, "Data Analysis Example: MC: 2.5
11 inch/10K RPM"?

12 A Uh-huh. Yes.

13 Q What does MC mean?

14 A Mission critical. It corresponds with
15 enterprise class product from Seagate.

16 THE REPORTER: I'm sorry?

17 THE DEPONENT: Mission critical product.

18 A Mission critical products are designed for
19 24/7 operations, unlike the desktop or mobile or
20 external backup drives.

21 Q (BY MR. STROUT) All right. I'd like to
22 return to the study that you created. The second
23 main bullet point there says, "The main" of the --
24 "objective of this study is to understand if the
25 above assumptions are correct and how the higher

1 our understanding.

2 So, yes, understanding how the higher
3 workload stress is impacting the above dependencies.
4 That's -- that's one of the main objectives of this
5 study, was to -- for that, I believe I considered --
6 I do not remember this very well, so -- yes. I
7 believe I considered several -- well, maybe --
8 applications in markets Seagate shipped product to
9 and ranked them by -- by workload, relative workload
10 stress. And, for example, mission critical will fall
11 into the highest workload, and desktop or notebook,
12 laptop drives will fall into the lowest workload
13 case.

14 So that allowed me to maybe compare them
15 in a way. So that's -- that's the background for
16 this particular bullet in the objectives.

17 Q What was your methodology for determining
18 whether using a Weibull beta of less than 1, as
19 Seagate does, is accurate?

20 A The -- the biggest problem with analyzing
21 field behavior of drives is what we discussed in the
22 first 10, 15 minutes here. For example, every chart
23 here, if you read -- I cannot, but I think it's --

24 Q What page are you referring to?

25 A I'm referring to 1855. It's really any --

1 any of these little charts here, they all say ARR.

2 MR. SHARMA: And the witness is pointing
3 to the chart on the right --

4 THE DEPONENT: On the right.

5 MR. SHARMA: -- of the title.

6 A The left is identical. They all say ARR,
7 annualized return rate. They don't say AFR because
8 we don't exactly know immediately. To get the AFR
9 you need to do failure analysis, and then you need to
10 figure out which fraction is NTFs and which fraction
11 is, you know, experience handling problems, and which
12 fraction was just returned for no reason, and so on,
13 and then you can correct this.

14 This is not very -- a very convenient way
15 to do kind of big data studies. That's why this
16 study is relying on ARR instead of AFR, with some
17 disclaimers that I needed to make, but they are not
18 the same. But because of that, I didn't even try to
19 do any detailed, you know, mathematical analysis
20 because I knew that this data is not representing
21 exactly the failures. It's representing their
22 combination of failures and return behavior of the
23 customers.

24 So analysis is mostly visual or graphical.
25 Graphical. I draw a straight line and just make some

1 conclusions from that.

2 MS. MCLEAN: I'd like to point out that
3 the witness said NTF in his answer instead of MTBF.

4 THE DEPONENT: Yeah. NTF, yes, no trouble
5 found.

6 Q (BY MR. STROUT) Did you during your --
7 when you were producing this report, did you account
8 for no-trouble-found drives?

9 A So if I remember, after I distributed --
10 that's why I remember there -- there should be
11 multiple versions of this, because I remember that
12 when I distributed my draft version I got critique
13 from other colleagues, right?

14 And the critique was around -- for the
15 client space, let's call it, desktop and notebook
16 drives, the critique is always that the fraction of
17 NTFs and buyer's remorse and some other things is so
18 large, it's really -- if I use return rates, I can be
19 very wrong estimating failure rate because the
20 fraction of -- the unknown fraction could be as large
21 as, say, 40 percent of the number that's critiqued
22 for the client space.

23 For the enterprise space, mission critical
24 hard drives, the critique was around the return
25 patterns. For example, Hewlett-Packard or Dell, when

1 Q -- "much less than 1, Superhawk cumulative
2 failure rate was closer to straight line, and
3 Pharaoh's trend looks almost straight now," and in
4 parentheses "B equals 1."

5 Is that correct?

6 A Correct.

7 Q So the -- are the -- is the Weibull beta
8 increasing with each generation?

9 A This page is inferring that, but --
10 inferring, but I already -- I think I spent five
11 minutes explaining that this is ARR, not AFR, and
12 Weibull -- Weibull beta is actually related to only
13 AFR.

14 So how the AFR looks for this product, it
15 was -- it's unknown to me, and I didn't want to spend
16 time investigating that. Again, this is -- this was
17 meant to do a quick analysis. I don't know, maybe I
18 spent a few days on this. It's not -- I doubt I
19 spent to just produce this report. Because eCube
20 allows you to -- to collect this chart relatively
21 quickly. I had some ideas. I packaged them into
22 this. I still -- I'm not saying that what I said
23 here is wrong. I'm just saying there are limitations
24 to my claims in this document. This is meant to
25 provoke a discussion, which it did, I presume, I

1 think. It was five years ago.

2 From what I see here, if I'm a person
3 critiquing this presentation, and there were people
4 critiquing it, I will say that this chart show a
5 combination of product reliability changes and
6 customer behavior changes. Customers might be
7 behaving drives -- returning drives differently now
8 than in times of Tonka, which probably was more than
9 10 years ago. And we can totally understand that
10 because 10, 15 years ago we did not have Amazon
11 online sales, right. Now we have. The behavior
12 could become very different.

13 So at the time of this report, this was I
14 presume a useful part of the discussion, and I don't
15 think it's totally conclu- -- conclusive. If you
16 look at the bottom, even in the draft version I'm
17 writing, "Need more data analysis to confirm this
18 observation."

19 Q Now, just to clarify, though, on the chart
20 there's some text that says, "Beta increases with
21 each generation"; is that right?

22 A Yes, that's correct.

23 Q Now, Grenada is on this chart, right?

24 A Correct.

25 Q And it's not a complete curve; is that

1 correct?

2 A No. That's correct.

3 Q Okay. But the data points that are

4 plotted on the graph, it does go to the left of B

5 equals 1; is that right?

6 A Actually --

7 MS. MCLEAN: Objection, vague.

8 A No, it's -- it's actually not right. No.

9 B equals 1 is not a fixed line. It's just a -- what

10 is the term -- it's just a -- like a derivative.

11 Q (BY MR. STROUT) What is that dotted line

12 on the graph, then?

13 A I think it corresponds to -- it's a --
14 it's a straight line that comes close to the maybe a
15 purple curve, but I can draw another straight line
16 through green 1. And -- in other words, the dotted
17 line is not some sort of fixed line. It's just a
18 representation of a straight line provided for
19 comparison. What we should look for is we should
20 look for a curve that maybe initially follows a
21 straight and then it crosses it, basically deviates
22 up -- upward from the straight line. Then it's
23 interesting.

24 Q So to the right of that dotted line we
25 were just talking about it says B is less than 1; is

1 Q (BY MR. STROUT) But going back to my
2 question, to the left of the dotted line it says B is
3 greater than 1; is that right?

4 A It's anything that is -- that starts as a
5 straight line but then tilts below it, becomes beta
6 less than 1. If it starts as a straight line and
7 tilts upward, then it's beta more than 1. So -- so
8 each of this curve has its own straight line. I just
9 didn't draw --

10 Q Right, I understand.

11 MR. SHARMA: I think he's testifying that
12 the beta is -- the beta depicted here isn't a
13 straight line.

14 THE REPORTER: Is or isn't?

15 MR. SHARMA: Is not.

16 Q (BY MR. STROUT) But just -- my question,
17 it's very simple -- I understand everything you said,
18 but just to the left of the dotted line it says B is
19 greater than 1, correct?

20 A Yes.

21 Q All right. Thank you.

22 A And frankly, again, to avoid over-
23 interpretation of this --

24 Q Uh-huh.

25 A -- somewhere about hour and a half ago I

1 mentioned that when the production starts, the
2 process is not as stable. It -- it becomes more
3 stable later.

4 The second thing that needs to be
5 mentioned for that part, that the production volumes
6 during that time are very low, which means whatever
7 happens in the first -- we usually I think use two
8 quarters of -- of waiting before we start making
9 judgments about what's going on, because the first
10 two quarters is -- you might be going from hundreds
11 of units per day to tens of thousands of units per
12 day, and even that is a low volume.

13 So, in other words, the Grenada here --
14 and this is the reason why I wrote at the bottom, we
15 should wait until we could make a conclusion about
16 Grenada, is because if I can count it correctly, it's
17 four -- no more than five months old, which means
18 it's under five -- under two quarters, which means we
19 will not make judgment. And if you -- about this
20 until we see more data.

21 And if you -- if you want to do a mental
22 sort of experiment, just close a page like this,
23 after -- say after 10.

24 Q Okay. I'm not quite sure how we're going
25 to get this on the record, but for the record --

1 A Make projections for other curves, you
2 probably will be wrong. Things change over time.
3 For example, blue one crosses the pink one after a
4 couple of years. While initially it was below, it
5 becomes higher.

6 So my point is that that's why a lot of
7 data has to be collected before, you know,
8 statistically significant statements are made. This
9 is why I was careful about Grenada specifically on
10 this page.

11 Q Okay. Turn to Page 1857, please.

12 A I'm already on it.

13 Q Oh. Well, 1859 is what I meant.

14 A Okay.

15 Q All right. So the first bulletin on 1859
16 says, "According to the above chart, higher workload
17 stress could be used as an explanation to the fact
18 that some product families show constant or
19 increasing failure rate over time," and in
20 parentheses, "signatures of potential wearout."

21 Is that correct?

22 A Yes, that's correct.

23 Q And underneath that it says, "Less than
24 50 percent of high workload products," parentheses,
25 stress -- "stress level 4 and 5, show failure rate

1 workload are exposed to workloads maybe 10 times
2 higher than we even anticipated, so just incredibly
3 high workloads. And this is what this is referring
4 to.

5 Essentially, as we as a company
6 anticipated us moving more and more -- 2012 is just
7 maybe beginning of cloud storage. Since then a lot
8 more sales go into cloud storage. So this was a sort
9 of a warning that a much higher workload stress
10 environment is just behind the corner, and it might
11 change our perception unless we have, you know,
12 analysis, perception of real stress in the field.

13 Q Underneath that you wrote, "Considering
14 that we observe beta less than 1 in most of our
15 internal," and in parentheses RDT, ORT, end
16 parentheses, "tests, one could conclude that these
17 relatively short tests do not predict well the long-
18 term product reliability behavior."

19 Did I read that correctly?

20 A Yes, you read it correctly.

21 MS. MCLEAN: Actually, you left out a
22 word. "Do not necessarily predict well."

23 Q (BY MR. STROUT) "Do not necessarily
24 predict well the long-term product reliability
25 behavior."

1 A Correct.

2 Q Okay. And you continue on this page, the
3 very last bullet point says, "Longer-term reliability
4 tests, about one year, might need to be introduced to
5 gain more confidence in reliability projections."

6 Is that right?

7 A Correct.

8 Q Okay. So how long -- do you know how long
9 these reliability tests, RDT, ORT tests, are run for
10 at Seagate?

11 MS. MCLEAN: Objection, lacks foundation.

12 A Yeah, I -- it's been a while so I'm
13 forgetting things, but I'm pretty sure that for the
14 enterprise class of products, for a long time now
15 Seagate has longer tests than -- than RDT. RDT is
16 six weeks, but there are now tests that run for
17 months and months.

18 And again, that's -- there is one other
19 thing you need to understand, that it's not just the
20 time of the test. There are such things as
21 acceleration factors in the test. For example, if
22 test is ran under twice as high workload as we
23 expect, we can assume that it's a longer time test
24 and, you know, we actually measure the same. Another
25 known accelerator is temperature.

1 So -- so equivalent time of this test is
2 not six times. At the time an RDT test might be -- I
3 don't remember, but it might be a year.

4 So what I'm talking about here is making
5 it even longer, and I know there are longer tests now
6 used for, you know, mission critical products and
7 enterprise class products -- enterprise class
8 products.

9 Q (BY MR. STROUT) What about for desktop
10 class products, have longer term reliability tests
11 been implemented for those?

12 MS. MCLEAN: Objection, lacks foundation.

13 A Can you give me a second? I cannot
14 remember this report. Let me look at it.

15 Q (BY MR. STROUT) Sure, take your time.

16 A What does it say.

17 Yeah, I think -- I think it's what I -- I
18 remember. The thing is for the -- this client space,
19 for desktops and mobile drives, this -- this study
20 actually didn't show any even hints of wearout. The
21 beta is always below 1. So the conclusion would
22 be -- and this is again part of this study -- it's a
23 low workload environment, and drives behave exactly
24 how we expect. It's our mission critical products
25 that might be affected. Look at them. This is the

1 direction of this -- of this summary, of this sort of
2 work.

3 But so it -- from what I see here, we see
4 the same thing in the internal tests and external
5 tests, beta is less than 1, which means that the
6 stress applied, you know, in Seagate tests is
7 sufficient for this environment. So I don't think
8 there's any recommendation to reconsider anything for
9 client space. Desktop, notebook, external storage,
10 all look like expected.

11 Q Okay. Well, please turn back to 1857,
12 please, 1857.

13 A 57, yes.

14 Q And here the beta is increasing with each
15 generation; is that correct?

16 A It looks like it, yes.

17 Q Well, it says that, doesn't it?

18 A It says that, yeah.

19 Q And these are desktop class drives,
20 correct?

21 A Correct.

22 Q Okay. So do you know if longer term
23 reliability tests were ever implemented for desktop
24 class drives at Seagate?

25 A I don't know. I don't know. Based on

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1 STATE OF COLORADO)

2) ss. REPORTER'S CERTIFICATE

3 COUNTY OF DENVER)

4 I, Pamela J. Hansen, do hereby certify that
5 I am a Registered Professional Reporter and Notary
6 Public within the State of Colorado; that previous to
7 the commencement of the examination, the deponent was
8 duly sworn to testify to the truth.

9 I further certify that this deposition was
10 taken in shorthand by me at the time and place herein
11 set forth, that it was thereafter reduced to
12 typewritten form, and that the foregoing constitutes
13 a true and correct transcript.

14 I further certify that I am not related to,
15 employed by, nor of counsel for any of the parties or
16 attorneys herein, nor otherwise interested in the
17 result of the within action.

18 In witness whereof, I have affixed my
19 signature and seal this 21st day of September, 2017.

20 My commission expires September 3, 2018.

21
22 _____
23 Pamela J. Hansen, CRR, RPR, RMR
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25 Denver, Colorado 80202